MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

TIA3121 – INFORMATION SYSTEMS AUDIT

(All Sections / Groups)

17 OCTOBER 2015
2.30 p.m. – 4.30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question Paper consists of 3 pages excluding cover page with **FIVE Structured Questions (50 marks).**
2. Answer all questions in Part A. Choose **ONLY ONE** question to answer in Part B.
3. Write the answers **CLEARLY** and **NEATLY** in the **Answer Booklet** provided.
4. Write the **QUESTION NUMBER answered SEQUENTIALLY** in the **Answer Booklet** provided.

Part A: Answer all questions.

Question 1 (10 marks):

(a) Briefly describe TWO reasons for the need of information systems auditing in an organization. Support your answer with suitable examples.

(3 marks)

(b) How would financial audits relate to information systems audit?

(1.5 marks)

(c) Committee of Sponsoring Organizations (COSO) was designed to improve the quality of financial reporting through a focus on corporate governance, ethical practices, and internal control. Illustrate the COSO model with all necessary information.

(3.5 marks)

(d) Map the following description with its appropriate information criteria in COBIT: effectiveness, efficiency, confidentiality, integrity, availability, compliance or reliability.

(2 marks)

(i) Concerns the protection of sensitive information from unauthorised disclosure: _____.

(ii) Relates to the accuracy and completeness of information as well as to its validity in accordance with business values and expectations: _____.

(iii) Relates to the provision of appropriate information for management to operate the entity and to exercise its fiduciary and governance responsibilities: _____.

(iv) Deals with information being relevant and pertinent to the business process as well as being delivered in a timely, correct, consistent and usable manner: _____.

Continued...

Question 2 (10 marks):

(a) As an auditor, you were assigned to audit MarNTon Co.'s employee payroll system. How would you obtain the understanding of (i) controls in the company; (ii) conducting substantive test of transactions; and (iii) conducting test of overall results?

(3 marks)

(b) Differentiate auditing "around" computers and auditing "with" use of computers. List TWO methods that could be implemented "with" use of computers.

(2 marks)

(c) Describe the methods that an auditor could use in valuation of assets.

(2 marks)

(d) Auditors are concerned to see that the organizations have high-quality disaster recovery plans in place. Identify and briefly describe THREE components of a disaster recovery plan.

(3 marks)

Question 3 (10 marks):

(a) Identify and briefly explain TWO types of IT risks. What are the similarities and differences among these risks?

(4 marks)

(b) How might an auditor use an internal control flowchart to document IT control? Do you agree that a flowchart is a better documentation tool than an internal control narrative?

(1.5 marks)

(c) There are five stages involved to audit network security of an organization. Contrast between the evaluation of logical access security, physical security and programmed threat security.

(4.5 marks)

Continued...

Part B: Choose only ONE question to answer.

Question 4 (20 marks):

(a) According to "Wells Report", what are the categories of occupational fraud? Support your answers with suitable examples.

(6 marks)

(b) If you are a computer forensic auditor, what are your job scopes? Describe the procedures for you to conduct a computer forensic audit.

(10 marks)

(c) E-business requires allowing access to some part of an organization's information system, so at any stage there is the threat of unauthorized access. Describe TWO risks associated with e-business.

(4 marks)

Question 5 (20 marks):

(a) Identify THREE threats each for email security and privacy concerns. Consequently, what are some policies that could be implemented in organizations to mitigate these threats?

(6 marks)

(b) What are the objectives of third party assurance services? Why is the assurance important to organizations and clients? List TWO third party assurance services.

(5 marks)

(c) Audit Command Language (ACL) is a widely used tool for data extraction and analysis. Using a flowchart, describe how an auditor could use ACL to uncover anomalies in data.

(9 marks)

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